

20 Sept 57

RETIREMENT

CIA has only Civil Service retirement rights.

CIA has sought via proposed legislation (dated 31 October 1956) special retirement benefits which were rejected as a matter of policy by the Civil Service Commission in a letter to the Bureau of the Budget, 9 January 1957. They reject extra credit for service at an unhealthful post, etc. They reason that investigative personnel get no such extra credit and neither do Foreign Service personnel unless they waive their post differential. The Commission suggested developing something more in line with investigative personnel retirement benefits.

Subsequent to this our 21 March 1957 draft (the latest draft) of proposed legislation was submitted to Bureau of the Budget who in turn obtained opinions from the Civil Service Commission and the White House.

Since the Director has taken a personal interest in additional retirement benefits it is suggested that the attached two letters (9 May and 13 May 1957) to the Bureau of the Budget be read in order to get full background. It will be noted that each letter is signed by Harris Ellsworth. However, in his letter of May 13 from the White House he signs as the Presidential Advisor on Personnel Matters. In his letter of May 9 from the Civil Service Commission he signs as Chairman of the Commission. It will be noted that the Civil Service suggests extra credit for Foreign Service while the White House is against such credit. Letter of January 9, 1956 is long and you may have read it.

Three proposed drafts were submitted by the Civil Service Commission at the working level, 6 June 1957. These were not cleared with the Commission. The one which they prefer is a proposed amendment to the Civil Service Act and reads as follows:

Draft A

Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(t) The term 'overseas career employee' shall mean an employee who is a citizen of the United States who has completed at least ten years of civilian service in a foreign country and who has, within the six-year period immediately preceding separation, completed at least two years of civilian service in a foreign country during which he was subject to this Act."

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RETIREMENT (Cont.)

Section 6 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(g) Any overseas career employee who attains the age of fifty years and completes twenty years of service may, if the head of his agency approved, voluntarily retire from the service and be paid an annuity computed as provided in section 9."

Section 9(e) of the Civil Service Retirement Act is amended by inserting after the figure "6(e)" the words "or 6(g)."

CIA's latest draft proposed an amendment to the CIA Act as follows:

"Section 9(a) Any employee who attains the age of fifty years and completes twenty years of creditable service under the Civil Service Retirement Act, as amended, (Act of 22 May 1920, 5 U.S.C. 691) may, if the Director approves, voluntarily retire and be paid an annuity computed as provided in Section 9(a) of that Act: Provided, That (1) at least ten years of such service has been with the Agency, (2) at least five years of such service has been with the Agency outside the continental United States and (3) at least 40% of such service with the Agency prior to age fifty has been served outside the continental United States.

"Section 9(b) Any employee retiring under the provisions of this Section shall, for the purpose of computing the amount of the annuity under the Civil Service Retirement Act, be credited with one and one quarter years of service for each year of Agency service outside the continental United States. Such additional credits shall be granted proportionately for fractional years of service: Provided, That the annuity payable to an employee retiring under the provisions of this Section shall not be reduced under the provisions of Section 9(d) of the Civil Service Retirement Act."

This draft will appear to be at least as strict as that proposed by the Commission. However, it still has the disadvantage of being an amendment to the specific CIA Act, where as the Commission has specifically stated that they prefer, whenever possible, legislation of general type.

RETIREMENT (Cont)

The people at the working level submitted two alternative drafts, one of which reads as follows:

Draft B

"The Director shall establish and administer an independent retirement and disability system for employees of the Central Intelligence Agency in accordance with the provisions of the Foreign Service Act."

They submitted the second alternative draft which I think is least desirable to both CIA and the Commission and it is as follows:

Draft C

Section 6 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(g) Any employee of the Central Intelligence Agency who (1) is a citizen of the United States, (2) has had at least ten years of service in a foreign country or in the Trust Territories of the Pacific, of which at least two years have been within the six-year period immediately preceding separation, (3) has been an employee of the Central Intelligence Agency during at least five years of such service, and (4) attains the age of fifty years and completes twenty years of service, may, if the head of his agency approves, voluntarily retire from the service and be paid an annuity computed as provided in section 9."

Section 9(c) of the Civil Service Retirement Act is amended by inserting after the figure "6(c)" the words "or 6(g)."

All the material referred to above has been presented to the Career Service Council.

In view of the firm attitude taken by the Bureau of the Budget and Civil Service Commission it is felt that we suggest to the Director that we may wish to "give" a little on the point of preparing general rather than CIA legislation.